

51% owned by Grand Bahama Free Port Authority -

# THE GRAND BAHAMA DEVELOPMENT COMPANY LIMITED

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## PROSPECTUS FOR HOMESITES IN LUCAYA SUBDIVISION

Grand Bahama Island, Bahamas

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THIS PROSPECTUS HAS BEEN FILED BY THE GRAND BAHAMA DEVELOPMENT COMPANY LIMITED WITH THE REGISTRAR OF REAL ESTATE AND BUSINESS BROKERS OF ONTARIO, PURSUANT TO THE PROVISIONS OF THE REAL ESTATE AND BUSINESS BROKERS ACT, REVISED STATUTES OF ONTARIO, 1960, CHAPTER 344, AND THE AMENDMENTS THERETO AND THE REGULATIONS MADE THEREUNDER.

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July 31, 1964

## The Development Company

The Grand Bahama Development Company Limited (the "Development Company") is a Bahamian corporation organized under a Memorandum of Association filed on March 9, 1961 pursuant to the Companies Act (Chapter 124), which Memorandum of Association has not been amended. The address of the head office of the Development Company is the Parker Building, Freeport, Grand Bahama Island, Bahamas.

The officers and directors of the Development Company are as follows:

### Officers

<u>Name</u>	<u>Office</u>	<u>Home Address</u>
Robert Keith Stewart Gonsalves	President	Hawaii Avenue, Freeport, Grand Bahama, Bahamas
James E. Maher	Executive Vice President	5705 Granada Blvd., Coral Gables, Florida
William P. Fisher	Vice President	1211 Camposano Avenue, Coral Gables, Florida
John Patrick Roulett	Vice President	Seasun Apartments, Freeport, Grand Bahama, Bahamas
Peter Superty, Jr.	Secretary	309 Seasun Manor, Freeport, Grand Bahama, Bahamas
Douglas E. Duncome	Assistant Secretary	P.O. Box 711, Nassau, Bahamas
Ronald G. Gowlding	Assistant Treasurer	Amundsen Lane, Freeport, Grand Bahama, Bahamas

### Directors

<u>Name</u>	<u>Occupation</u>	<u>Home Address</u>
Major Cyril George Bernard	Secretary, The Grand Bahama Port Authority Limited	Seabreeze Lane, Lucayan Beach, Freeport, Grand Bahama, Bahamas
Charles Gerald Goldsmith	Vice President, The Grand Authority, Bahama Port Limited	665 Park Avenue, New York, New York
Robert Keith Stewart Gonsalves	President, the Development Company; Executive Vice President, The Grand Bahama Port Authority, Limited	Hawaii Avenue, Freeport, Grand Bahama, Bahamas
Ronald G. Gowlding	Treasurer, The Grand Bahama Port Authority, Limited; Assistant Treasurer, the Development Company	Amundsen Lane, Freeport, Grand Bahama, Bahamas
Charles William Hayward	Chairman of the Board of The Grand Bahama Port Authority, Limited	Freeport, Grand Bahama, Bahamas
Jack Arnold Hayward	Vice President of The Grand Bahama Port Authority, Limited	Seashell Lane, Freeport, Grand Bahama, Bahamas
Harry W. Knight, Sr.	Investment Banker	9102 Collins Avenue, Miami Beach, Florida
Harry W. Knight, Jr.	Investment Banker	651 Avenue Road, Toronto, Canada

<u>Name</u>	<u>Occupation</u>	<u>Home Address</u>
James E. Maher	Executive Vice President of the Development Company	5705 Granada Blvd., Coral Gables, Florida
Max Orovitz	Director, Mt. Sinai Hospital; Director, University of Miami; Businessman	6000 North Bay Road, Miami Beach, Florida
Sir Francis Peek, Bart.	Private Investor	33 Aviary Row, London, England
Douglas Silvera	Vice President of Freeport Construction Company Limited	Shackleton Lane, Freeport, Grand Bahama, Bahamas
Raymond Stuart Tower	Assistant to Vice President of The Grand Bahama Port Authority, Limited	East Atlantic Drive, Freeport, Grand Bahama, Bahamas
John C. Tysen	President and Chairman of the Board of Directors of Previews, Inc.; President and a Director of Previews International, Ltd.	1165 Fifth Avenue, New York, New York

The particulars of the share capital of the Development Company are:

<u>Class of Shares</u>	<u>Par Value</u>	<u>Number of Shares Authorized</u>	<u>Number of Shares Issued</u>
Common Stock . . . . .	£3 (\$8.40)	5,000,000	2,450,000

All of the 2,450,000 issued Common shares are fully paid. Although the shares of the Development Company are of one class, 5,000 of the 2,450,000 issued shares are special shares entitling the holders thereof to special voting rights on resolutions to place the Development Company into voluntary liquidation; and a majority of the said 5,000 shares, together with a majority of a further 5,000 special shares issued, each have the right at any time and from time to time to appoint, remove and replace two (2) Directors of the Development Company.

The auditors of the Development Company are Peat, Marwick, Mitchell & Co., independent chartered accountants, whose offices are in Nassau, Bahamas.

There are no bonds or debentures of the Development Company outstanding or proposed to be issued.

### **Description of Land**

The Development Company is engaged principally in the sale and development of land for residential and resort purposes on Grand Bahama Island which is the second largest of the Bahama Islands. Grand Bahama Island is approximately eighty miles long and varies in width between 4.5 and 8 miles, averaging approximately seven miles. There are over sixty miles of beaches on the Island. The entire Island is composed largely of absorbent limestone coral on which green pine and semi-tropical plant life are abundant.

The Development Company acquired in September 1961, approximately 102,000 acres (approximately one-third of the Island) from The Grand Bahama Port Authority, Limited (the "Port Authority"). Lucaya, which is the area to which this offering pertains, consists of approximately 1,954 acres and is situated approximately 76 miles due East of Palm Beach, Florida, and approximately 120 miles from Miami. The lands constituting Lucaya, together with other acreage owned by the Development Company, are part of a larger area over which the Port Authority has been granted broad powers by the Government of the Bahamas to develop an industrial, residential and resort complex. The Development Company has agreed with the Port Authority that it will develop the property which it has acquired from the Port Authority for residential, commercial and resort purposes only.

Since September, 1963, when the Development Company first offered homesites in Lucaya for sale, approximately 1,722 single family and 290 multi-family homesites have been sold. The minimum lot size for homesites is 6,900 square feet.

Lucaya consists of gently rising dry land ranging up to 60 feet above sea level.

Lucaya enjoys semi-tropical weather, due, in large part, to the warming influence of the Gulf Stream. Following are the mean monthly temperatures for the year 1961, the latest year for which data is available.

January . . . . .	66.6	May . . . . .	78.5	September . . . . .	81.9
February . . . . .	69.0	June . . . . .	79.9	October . . . . .	77.9
March . . . . .	72.7	July . . . . .	82.9	November . . . . .	73.1
April . . . . .	74.3	August . . . . .	82.7	December . . . . .	70.9

The Development Company believes that these mean monthly temperatures are typical and that similar temperatures may be experienced in the future. The average annual precipitation is approximately 57.42 inches.

#### TITLE TO HOMESITES

In the opinion of Bahamian counsel the Development Company has good and marketable title to the approximately 1,954 acres comprising Lucaya, subject only to (1) areas within Lucaya sold prior to the date of this Prospectus; (2) outstanding contracts of sale for homesites and other areas; (3) restrictions and stipulations placed thereon by the Development Company; and (4) certain public roads and rights of way and other minor exceptions which Bahamian counsel has advised do not materially impair title to the property or the purposes for which it is intended to be used.

There are no existing or proposed mortgages, trust deeds, liens, leases or other encumbrances against the land being offered for sale under this Prospectus. As is usual and customary in the Bahama Islands, all mineral and oil rights are reserved to The Crown, together with the right to enter and dig for same.

#### LEGAL DESCRIPTION AND FILING

For recording purposes, Lucaya has been subdivided into 16 Units, each of which constitutes a separate subdivision. Maps of each Unit have been recorded in the Registry of Records of the Bahama Islands, Nassau, Bahamas as follows:

<u>Name of Unit</u>	<u>Date Recorded</u>	<u>Volume</u>	<u>Page</u>
Arden Forest Unit 1	March 14, 1963	585	492 through 495
Arden Forest Unit 2	February 7, 1964	701	542 through 545
Arden Forest Unit 4	February 18, 1964	707	267 through 271
Arden Forest Unit 5	February 18, 1964	707	272 through 278
Bell Channel Bay Unit 1	February 5, 1963	574	484
Grasmere Unit 1	March 24, 1964	723	458
Grasmere Unit 2	February 7, 1964	701	555 through 558
Grasmere Unit 3	February 7, 1964	701	559 through 563
Greening Glade Unit 1	January 31, 1963	573	558 through 560
Greening Glade Unit 2	January 31, 1963	573	547 through 555
Lucayan Knoll	January 31, 1963	603	210 through 213
Yeoman Wood Unit 1	February 26, 1963	581	419 through 436
Yeoman Wood Unit 2	March 13, 1963	585	150 through 164
Yeoman Wood Unit 3	February 7, 1964	701	531 through 541
Yeoman Wood Unit 4	February 7, 1964	701	546 through 548

The Unit Maps were prepared by Development Engineering Limited, a firm of Professional Engineers duly licensed in the State of Florida and located at 6075 Sunset Drive, South Miami, Florida. Bahamian Law does not provide for the approval or other acceptance of a subdivision plan by any government authority.

The legal description of the homesites and other areas offered hereby is by reference to the Lot and Block Numbers of the named Unit of Lucaya with particulars of the recording of the plan thereof, giving the office where the same is recorded and number of the Volume in which, and the number of the pages thereof at which, the same is recorded. For example, a homesite in Greening Glade Unit 1 may be described as Lot No. 15 in Block No. 01, Greening Glade Unit 1, the Plan of which Unit is of record in the Registry of Records, Nassau, Bahamas, in Volume 573 at pages 558 to 560, inclusive.

## TAXES

Pursuant to a 1955 Act of the Bahamian Legislature, the Government of the Bahamas was authorized to enter into an agreement with the Port Authority which provides, among other things, for exemption from certain taxes until 1990. These exemptions apply to Lucaya, and accordingly, real estate taxes are not to be assessed against homesites and other areas offered hereunder in Lucaya until 1990. Reference is made to the heading "Roads" for information concerning the cost of repairing and maintaining roads.

## Terms of Offering

The Development Company is offering 2,954 single family homesites and 301 multi-family homesites in Lucaya. In addition, the Development Company is offering 43 Tracts varying in size from approximately 1 to 26 acres, to builders, construction companies and others.

Single and multi-family homesites in Lucaya are offered at varying prices, ranging from \$2,450 to \$15,000 for single family and \$2,450 to \$18,000 for multi-family homesites, depending upon the size and location of the homesite and whether or not it is on a waterfront or golf course.

The single family homesites offered range in size from 6,900 square feet to 30,000 square feet, and multi-family homesites range in size from 10,000 square feet to 46,500 square feet.

Both single and multi-family homesites may be purchased for all cash or on an installment basis. The Development Company is offering a 10% reduction from list prices on cash sales. The minimum down payment on installment sales of homesites is 20% of the purchase price. The down payment is payable to the Development Company immediately upon the Development Company accepting a purchase agreement for the homesite. The unpaid balance of the purchase price with interest at the rate of 6% per annum on a declining balance basis is payable in monthly installments over a maximum period of five years. A down payment on a cash sale is payable to the Development Company upon the Development Company accepting a purchase agreement for a homesite and the balance of the purchase price is payable to the Development Company when the registered deed is delivered to the purchaser. Reference is made to the heading "Contracts and Deeds" for matters relating to the delivery of title documents.

In accordance with the overall development plan for Lucaya, certain homesites have been designated for immediate construction. The Development Company will not accept a purchase agreement with respect to such homesites unless the purchaser agrees to commence construction of a dwelling on the homesite within one year from the date of the purchase agreement.

The homesites being offered for sale by this Prospectus have been neither approved nor disapproved for mortgage financing by any mortgage lending institution or agency since the Development Company has never sought such approval.

The price, terms and conditions of sale with respect to the Tract acreage being offered hereunder will be individually negotiated for each Tract between the Development Company and the prospective purchaser. It is expected that purchasers of such Tracts will either re-sell individual lots within such Tracts or construct homes or multi-family dwellings thereon for the market or investment purposes. Certain of the Tracts have been designated solely for residential purposes, either single or multi-family, and certain Tracts in addition contain areas designated for commercial or community development.

## CONTRACTS AND DEEDS

The Development Company has prepared a uniform purchase agreement for use in connection with the sale of both single and multi-family homesites. The Development Company has also prepared uniform deeds for single family homesites and for multi-family homesites. The forms of uniform deed which sets forth all the restrictions and stipulations affecting the homesite and the purchaser are annexed to and form part of each purchase agreement. The purchase agreement and each form of deed may be inspected by prospective purchasers during normal business hours at any of the Development Company's offices or at the offices of any of the sales agents of the Development Company.

A purchaser of a homesite on an installment basis does not become the registered owner of the homesite or become entitled to a deed until the final installment is paid so that until payment in full of the purchase price the purchase agreement is the only document which the purchaser receives.

Upon payment in full for a homesite each purchaser will be given a deed with full statutory covenants for title in the form usual in the Bahama Islands and an opinion of Bahamian counsel

for the Development Company showing the title to be good and marketable and free and clear of all liens and encumbrances, subject only to the exceptions and reservations, the restrictions and stipulations and utility easements set forth in the form of deed, and the obligation with respect to the sharing of costs of repairing and maintaining roads, as more fully explained under the heading "Roads", and as described in the said deed and in the purchase agreements.

#### USE OF PROCEEDS

Deposits, monthly payments and total cash payments received by the Development Company from homesite purchasers are deposited in the general funds of the Development Company. From the general funds the Development Company pays for development costs, engineering, and construction of facilities for the benefit of homesite owners in the conduct of its business of land and community development. The books of the Development Company are audited by Peat, Marwick, Mitchell & Co., of Nassau, Bahamas, independent chartered accountants.

### Facilities

#### WATER, ELECTRICITY AND TELEPHONE FACILITIES

Electricity, telephone lines and fresh water systems are presently located at the periphery of Lucaya. The telephone and water supply facilities are provided by The Grand Bahama Utility Company Limited, which is 50% owned by the Development Company. Electric service is provided by the Port Authority. Water for the central water supply system is drawn from the ground water on the Island. There is no local health authority for testing of the water, but the safe quality of the water has been certified to by Development Engineering Limited. Moreover, the proposed sewage disposal method for Lucaya will have no adverse effect upon the domestic water supply.

The Development Company proposes to complete the installation of water mains, electricity and telephone lines and road paving to all homesites in an orderly manner over a period of approximately six (6) years. The Development Company estimates that the roads, utilities and other services will be available to the following subdivisions within the dates set out in the following table:

<u>Unit Number</u>	<u>Roads, Utilities and Service's Completion Date</u>	
Arden Forest Unit 1 .....	July,	1969
Arden Forest Unit 2 .....	July,	1969
Arden Forest Unit 4 .....	July,	1965
Arden Forest Unit 5 .....	July,	1969
Bell Channel Bay Unit 1 .....	September,	1964
Grasmere Unit 1 .....	July,	1970
Grasmere Unit 2 .....	July,	1970
Grasmere Unit 3 .....	July,	1970
Greening Glade Unit 1 .....	July,	1969
Greening Glade Unit 2 .....	July,	1969
Lucayan Knoll .....	July,	1965
Yeoman Wood Unit 1 .....	July,	1967
Yeoman Wood Unit 2 .....	September,	1964
Yeoman Wood Unit 3 .....	July,	1969
Yeoman Wood Unit 4 .....	July,	1969

The Development Company presently estimates that the cost of installing the main water, power, and public telephone lines and initial road construction will amount to approximately \$85,000 per mile which costs will be assessed against homesites on a pro rata basis. The estimated cost to an individual lot owner would be approximately \$500 to \$1,000 per lot dependent on lot size and location.

The Development Company also agrees in all purchase contracts with each homesite owner to give the homesite owner an exchange option which permits the owner upon satisfying the conditions of the purchase agreement to require the Development Company to exchange the purchased homesite for one located in another subdivision in which construction is then in progress.

#### ROADS

Arterial roads through Lucaya have been constructed. The arterial roads are either owned by the Development Company, or rights of way in favour of the Development Company have been obtained for the benefit of the Development Company and purchasers of homesites.

All interior roads in Lucaya belong to the Development Company and the homesites offered do not include any part of the adjacent road bed. At present, interior roads have been built in a substantial portion of Lucaya. Construction of the remaining interior roads has been started at this time. However, the estimated cost of \$4,200 per mile for these roads is covered by a performance bond in the amount of \$160,000 issued by the Continental Casualty Company, 76 William Street, New York, New York, and filed with the Secretary of State of the State of New York for the benefit of the People of the State of New York.

The interior roads are composed of loose surface limerock, cleared and grubbed to a drivable surface. Interior roads vary in width from 60 to 30 feet and are generally 60 feet wide.

Public roads in Grand Bahama Island are vested in a local board known as "The Board of Works". Since there is no municipal or other authority with power to levy rates or taxes for the upkeep of roads, and in view of the concessions contained in the Agreement between the Bahamas Government and the Port Authority referred to above, it is not likely that in the foreseeable future the Board of Works would accept the ownership of and corresponding responsibility for the interior roads. Accordingly, the Development Company is and expects to remain the owner of interior roads, but each purchaser of a homesite receives from the Development Company the right of ingress and egress to his property. This right may not be revoked by the Development Company or any successor to the Development Company.

Homesite purchasers cannot be charged for the original construction costs of roads in Lucaya nor, until 1968, for any cost of maintenance of such roads. Thereafter, the homesite owners may be charged a pro rata share of the cost of repairing and maintaining the roads, other than main arterial roads. Barring unforeseen events the Company's present estimate of the annual cost per homesite for the repair and maintenance of roads after 1968 is not more than approximately \$50. The Development Company has no plans for the construction of sidewalks or installation of street lighting.

#### SEWAGE DISPOSAL FACILITIES

Sewage disposal will be by septic tank process for family residences and by treatment plants for larger units. The type of tank to be employed consists of two compartments, and discharges from the final compartment through a recharge or drainage well back into the normal ground water. Assuming the average elevation of the land in Lucaya is 18 feet above sea level, the water table on the average is 16 feet below the surface. The Development Company has received an engineering report which states that the height of the water table and existing geological conditions are such that no adverse effect will be encountered between the normal domestic water supply and sewage disposal method. Each homesite owner must provide his own sewage facilities as herein described. The Development Company estimates the present cost of such facilities at \$560 per homesite for the average single-family residence.

Although there is no public authority prescribing sewage disposal criteria, the proposed method is in accord with much of the building to date on Grand Bahama Island, and in the opinion of Development Engineering Limited, a firm of Professional Engineers, it is satisfactory and in keeping with good practice for this type of sewage disposal.

#### SCHOOL FACILITIES

Two elementary schools are available approximately five miles and three miles from Lucaya, respectively. Transportation from Lucaya to these schools is available by school bus. At present, there are no secondary schools on Grand Bahama Island, but there is available tutoring in high school subjects and high schools are located in Nassau, approximately 120 miles from Grand Bahama Island, and in various cities of Florida. There is transportation to Nassau and to Miami, West Palm Beach and Fort Lauderdale, Florida, by air.

#### TRANSPORTATION FACILITIES

On Grand Bahama Island transportation includes buses, taxis, and car rentals available in Freeport. There is presently no scheduled transportation from Lucaya to Freeport, but special arrangements can be made in advance. It is expected that homesite owners in Lucaya will provide their own private vehicles or use rental cars or taxis.

Air transportation is available at Freeport's International Airport, approximately seven miles from Lucaya. Scheduled daily flights are available to West End, Grand Bahama Island, other part of the Bahama Islands and to Palm Beach, Fort Lauderdale, and Miami, Florida, through Bahama Airways and Mackey Airlines.

Boat service for freight, including private cars, is available at the Freeport Harbor located approximately nine miles from Lucaya. The Alco Shipping Agency Limited, provides scheduled

freight service out of Miami twice a week. Additional freight service to Freeport is provided weekly from Port Everglades, Florida. Also, regular sailings to New York are offered by Pacific Steam Navigation Company, Royal Mail Lines and Royal Netherlands Steamship Co. Special charter arrangements can be made for passengers and freight.

#### **HOSPITALS, FIRE AND POLICE PROTECTION**

A hospital and mental clinic are available in Freeport which is situated less than five miles from the center of Lucaya. Freeport is the principal community on Grand Bahama Island. The 1963 edition of the Bahamas Handbook and Businessman's Annual indicates that the resident population of Freeport at the end of 1962 was approximately 1,500 persons.

Fire and Police protection are also available in Freeport.

#### **GARBAGE COLLECTION**

Garbage collection service for residents of Lucaya is provided by The Grand Bahama Utility Company Limited twice weekly. Rates are \$5 per month for one can and \$7.50 per month for two cans.

#### **Development Costs**

The cost of developing and improving property held by the Development Company for sale is paid from the general funds of the Development Company including amounts received as deposits, monthly payments, full cash purchases of property, interest income and other income. The improvements are made as development work progresses with no specific dates for payment or specific amounts maturing at any particular time. The Development Company represents that all such payments are current and to assure completion of interior roads, a performance bond has been posted by the Development Company in an amount sufficient to meet the estimated cost of completion of such roads. All improvements, unpaid costs and performance bonds are paid for out of the general funds of the Development Company. Certain particulars respecting these are also given under the heading "Facilities."

#### **Construction**

##### **BUILDING RESTRICTIONS**

All single family homesites offered hereunder are for single family dwellings and shall be used for residential purposes only. The purchaser of each single family homesite will have the benefit of the restrictions and stipulations binding on all other single family homesites in the Unit of Lucaya in which such single family homesite is located. The restrictions and stipulations are set forth in the form of deed attached to each purchase agreement which will be delivered to each purchaser of a single family homesite and relate to use for residential, single family purposes only, restrictions against the carrying on of commercial activity, plans and specifications of proposed buildings and structures and to other restrictions common to the subdivision.

All multi-family homesites offered hereunder shall be used for residential purposes only and construction is confined to either two-family duplex houses or multi-family dwellings of one or two stories designed to include three or more living units. The land in each Unit of Lucaya designated for multi-family purposes and such other land within each Unit as the Development Company may from time to time designate for use as high rise dwellings, shopping areas, schools, parks, temporary real estate sales offices and/or other community facilities may not exceed in the aggregate one-quarter of the total acreage in each Unit.

The purchaser of each multi-family homesite will have the benefit of the restrictions and stipulations binding on all other multi-family homesites in the Unit of Lucaya in which such multi-family homesite is located and also the restrictions and stipulations binding on such land within such Unit as may from time to time be designated by the Development Company as reserved for use as high rise dwellings, shopping areas, schools, parks, temporary real estate sales offices and/or other community facilities. The restrictions and stipulations with respect to multi-family homesites are set forth in the form of deed attached to each purchase agreement and relate to use for two-family duplex dwellings and multi-family dwellings only, restrictions against the carrying on of commercial activity, plans and specifications of proposed buildings and structures, and to other restrictions common to the subdivision.

Certain areas within the Tract acreage offered by this Prospectus have been designated for single family and multi-family purposes only and other areas within such Tracts have been reserved by the Development Company for use as high rise dwellings, shopping areas, schools, parks, temporary real estate sales offices and/or other community facilities. The restrictions and stipulations

with respect to the Tract acreage shall be subject to individual negotiation between the Development Company and the prospective Tract purchaser.

The development Company and the Port Authority have promulgated the Building Code which is essentially a compilation of minimum rules respecting the safety of buildings with reference to public health and welfare, fire protection and structural sufficiency. The Building Code may be modified or amended from time to time by the Development Company and the Port Authority. A copy of the Building Code shall be made available to prospective homesite purchasers at the offices of the sales agents of the Development Company upon request.

#### FLOOD CONTROL AND DRAINAGE

The Development Company does not believe that flood control will be necessary at this time due to the particular topography and terrain of the area constituting Lucaya.

Drainage improvements, however, will be required and have been installed in certain Units of Lucaya. Drainage improvements will be installed in each of the remaining Units prior to complete development. Such improvements are normally installed when the finished roadway is constructed.

Drainage improvements consist of conventional type catch basins with recharge well to ground water table at all low points or as may be required due to particular surface conditions. In the Unit known as Bell Channel Bay Unit 2, which is a predominantly waterfront type development, ultimate drainage installed will be catch basins with a direct outflow to Bell Channel Bay. These procedures are a conventional type normally used throughout Grand Bahama Island and are in conformity with good engineering practices.

#### FOUNDATIONS

The nature of the land at Lucaya is best suited for slab-type construction. The normal house, apartment dwelling and commercial construction foundations are reinforced concrete slabs, with no pilings required.

The Unit of Lucaya known as Bell Channel Bay Unit 1 contains filled land with depths of fills varying from two (2) feet to five (5) feet. The filling operation was supervised by Development Engineering Limited, a firm of Professional Engineers. The fill used was limerock obtained from the excavation of Bell Channel Bay. No other change from the natural state of the land at Lucaya has been made, other than the clearing required for the construction of roads and the construction of recreation and community facilities.

#### CONSTRUCTION

If a purchaser of a homesite desires to construct a house or multi-family dwelling, he may employ any contractor he wishes to perform such construction. Private contractors are available for home and other construction at Freeport. The Development Company has no present intention of engaging in the business of constructing houses or multi-family dwellings at Lucaya. However, numerous independent contractors and building firms have purchased Tracts at Lucaya and have built approximately 223 single family dwellings and 3 multi-family dwellings containing 50 apartments.

Except as otherwise indicated, this Prospectus speaks as of the date set forth on the cover page.

#### Statutory Affidavit

We, W. P. Fisher, Peter Superty, Jr. and J. P. Roulett, of the City of Freeport, on the Island of Grand Bahama, one of the said Bahama Islands, Executives, hereby severally make oath and say that every matter of fact stated in the foregoing Prospectus is true.

SEVERALLY SWORN before me at the City of Miami, in the State of Florida, one of the States of the United States of America, this 3rd day of August, 1964.	}	W. P. FISHER PETER SUPERTY, JR. J. P. ROULETT
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BEATRICE HOFFMANN

Notary Public, State of Florida at Large  
My commission expires Mar. 1, 1968





